

Minutes of Regular Meeting
Northeast Texas Municipal Water District
Board of Directors
April 28, 2010 –10:00 A. M.

The Board of Directors of the Northeast Texas Municipal Water District met in an open meeting on Wednesday, April 28 at 10:00 A.M. The meeting was held at Northeast Texas Municipal Water District's Executive Office located at 4180 Farm Road 250, Hughes Springs, Texas 75656. Notice of the meeting was legally posted.

Present: William W. Brown - President, Jefferson
Patrick Smith - Pittsburg
Stan Wyatt - Daingerfield
Uvalde Stoermer - Lone Star
Jack Salmon, Jr. -Avinger
Joseph W. Weir, III -Ore City
Carol H. Leftwich -Hughes Springs

Staff: Walt Sears, Jr.
Pete Wright
Lou Richards
Christal Skinner

Others: Joncie Young -KSA Engineers
Steve Capps -Capps Insurance
Steven Adams -Specialized Public Finance, Inc.

President Brown called the meeting to order and welcomed everyone to the meeting. Invocation was given by Jack Salmon, Jr.

Jack Salmon made a motion to approve the minutes of the March 22, 2010 meeting. Carol H. Leftwich seconded the motion. Motion carried, all voting aye.

Patrick Smith made a motion to approve the financial reports and investment report on all current accounts and funds. Stan Wyatt seconded the motion. Motion carried, all voting aye. Patrick Smith made motion to authorize payment of the invoices for professional services as presented. Uvalde Stoermer seconded the motion. Motion carried, all voting aye.

Walt Sears gave an update on the Lake O' the Pines Southside Committee meeting. Mr. Sears told the Board that the Southside Committee approved the reconciliation report for the months of January, February and March 2010 and that there was no particular change in the US Steel's usage for those months. Mr. Sears also told the committee that they would like to schedule a meeting with David Simpson, the new State Representative to discuss our water resources and other topics.

Walt Sears summarized the health insurance options for the District with the renewal effective May 1, 2010. Mr. Sears told the Board that the District had three options: (1) Renew the current Blue Cross Blue Shield health plan, with a 16.5% increase in premiums, (2) Change the Blue Cross Blue Shield policy to a \$1,000 deductible, and (3) Change to the Health Savings Account (HSA) insurance with Blue Cross Blue Shield. Mr. Sears stated to the Board that we would renew dental insurance with Guardian with their approval, as there was no increase in the premium. Mr. Sears introduced Steve Capps with Capps Insurance. Mr. Capps discussed the details of each option. After a lengthy discussion, Patrick Smith made a motion to select the Blue Cross Blue Shield HSA Plan for May 2010 – April 2011. Jack Salmon seconded the motion. Motion carried, all voting aye. Jack Salmon made a motion to fund the HSA accounts on behalf of the employees on a quarterly basis with funding upfront and at the General Manager's discretion to make additional deposits to the employee HSA accounts in emergency cases. Joseph Weir III seconded the motion. Motion carried with all voting aye, except Patrick Smith voting no.

Steven Adams with Specialized Public Finance, Inc. presented financial information to the Board regarding the possible refunding of bonds issued in 2000 by the District. Mr. Adams stated that

he would like to get the District's Standard and Poor's rating elevated from BBB+ to an A rating. Mr. Adams told the Board if the rating was elevated and the Board agreed to pursue the refunding of the bonds, it could possibly save the District over \$200,000 in debt service. On a motion by Patrick Smith and second by Stan Wyatt, the Board voted to move forward in this process. Motion carried, all voting aye.

Patrick Smith made a motion to approve the request from Mims Volunteer and Jackson Volunteer Fire Departments to install a dry hydrant near the Lake O' the Pines dam for access to raw water to refill tanker trucks in cases of emergency. Jack Salmon seconded the motion. Motion carried, all voting aye.

Patrick Smith made a motion to authorize the comments by NETMWD to improve the Initially Prepared Plan (I.P.P.) for Region D. Jack Salmon seconded the motion. Motion carried, all voting aye. Mr. Salmon applauded Walt Sears on the Board's behalf for efforts seeking to improve the I.P.P. and bringing to light some of the issues that had been omitted or not fully discussed.

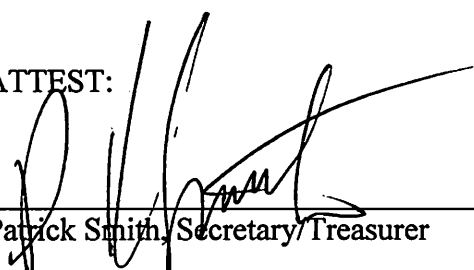
Mr. Sears presented the following items in the Manager's Report: (a) Red River Conference scheduled for June 3, 2010 in Texarkana and (b) the Summary of Benefits for the Member Cities by NETMWD.

Pete Wright gave the Operations Report. Mr. Wright informed the committee Dominik Sobieraj left our employment for another job. Mr. Wright also told the committee the Tanner expansion was complete including the punch list and one year warranty period. Mr. Wright told the committee that he was still in contact with Kelly Sullins of Irv Nelson's office regarding the raw water right of way. Mr. Wright stated that the demand for water increased slightly and the disinfectant processes for the finished water changed because of the high HAA5's.

Joseph W. Weir, III made a motion to set the next regular meeting date for May 24, 2010. Jack Salmon seconded the motion. Motion carried, all voting aye.

Jack Salmon made a motion to adjourn. The motion was seconded by Carol Leftwich. Motion carried, all voting aye.

ATTEST:



Patrick Smith, Secretary/Treasurer

APPROVED:



~~AVYLLER WYBENIX PRESIDENT~~

JACK SALMON, JR., VICE-PRESIDENT